

The Wade Hampton Census Area

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A focus on rural Alaska

Wade Hampton Census Area encompasses an area of 17,124 square miles, more than twice the size of Massachusetts. The area is quintessential rural Alaska; it consists of 13 small communities, without a commercial or hub city. The nearest supply center is Bethel, located to the south on the Kuskokwim River in the adjacent census area. Most goods or services are delivered by plane, and air service is the only connection between most communities on a year-round basis. Only one land route exists in the region. St. Mary's, Pitka's Point and Mountain Village are connected by a gravel road only 22 miles long.

Nearly two thirds of the population in the Wade Hampton area lives along or close to the banks of the Yukon River, its delta arms or tributary streams. The Yukon Delta, where the population is concentrated, is a treeless wetland. The population thins toward the Interior, and most of the up-river settlements are small.

Another populated area lies in the region's southwest corner on or near the coast. Three communities, Hooper Bay, Chevak and Scammon Bay, are home to the remaining third of the area's population. Hooper Bay is the only settlement in the Wade Hampton Census Area with more than 1,000 residents. In terms of population growth, Scammon Bay (484 people) is the fastest growing community, averaging four percent population growth annually during the past decade. In all, only 7,060 people live in the geographically vast Wade Hampton Census Area. (See Exhibit 1.)

The people of Wade Hampton

Wade Hampton's residents form the most homogeneous racial group within the boundaries of an Alaska census area or borough. Nearly 95 percent are Native Americans, mainly Eskimos of Yupik origin. The majority of the remaining population is white, many of whom stay in the area only for a limited time for professional reasons.

Population in Wade Hampton Census Area

	1990	1999	Percent change 90-99
Wade Hampton Census Area	5,791	7,060	21.9%
City of Alakanuk	544	658	21.0%
City of Chevak	598	763	27.6%
City of Emmonak	642	818	27.4%
City of Hooper Bay	845	1,028	21.7%
City of Kotlik	461	579	25.6%
City of Marshall	273	318	16.5%
City of Mountain Village	674	766	13.6%
Nunam Iqua, formerly City of Sheldon Point	109	149	36.7%
Pilot Station	463	544	17.5%
Pitka's Point	135	146	8.1%
City of Russian Mission	246	311	26.4%
City of St. Mary's	441	475	7.7%
City of Scammon Bay	343	484	41.1%
Remainder of Wade Hampton Census Area	17	21	23.5%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A remarkable demographic characteristic is the young median age of the resident population. Half of the area's residents are less than 19.1 years in age. The prime working age population (18-64) makes up only 46 percent of the total population versus 64 percent statewide. (See Exhibit 2.) The preponderance of youth explains why households are larger in the Wade Hampton area than elsewhere in the state. It also goes a long way in explaining why the region's economic barometer swings low.

Age influences local income measures

Wade Hampton is Alaska's poorest census area or region. Local income statistics, such as household, family and personal per capita income, and wage and salary earnings all rank the area last among Alaska regions. In 1998, for example, personal per capita income was \$12,684 (see Exhibit 2), registering 54 percent below the Alaska average and 53 percent below the national level. In part, age explains the area's low income position. A young age cohort (49 percent are below 18) shares income with their families but cannot contribute much yet, although their individual Alaska Permanent Fund dividend checks augment local income considerably. Heads of households in the Wade Hampton area tend to be young and are at the beginning of their work lives. Age demographics contribute to, but are not the primary reason Wade Hampton is Alaska's poorest area. The primary reason for the low earnings is that the area is entirely rural, and there is no administrative or commercial center to distort the socio-economic statistics of village economies. Local economic indicators show clearly that in most of Alaska's rural areas, the scarcity of jobs is the main reason for low income.

Transfer payments play a big role

The latest personal income data for the region were compiled for 1998. More than \$87.1 million accrued for the Wade Hampton area. Just 47 percent came from employment. Transfer payments made up nearly 45 percent. (See Exhibit 3.) Such payments included all types of payments from government to individuals, ranging from retirement to public assistance payments. Fund transfers to non-profit agencies and businesses were also included.

Income supplements do not always suffice

In 1998, nearly 38 percent of Wade Hampton's transfer payments were to provide for health

2 A Statistical Snapshot of the Wade Hampton Census Area

	Alaska	Wade Hampton Census Area
Population (1999)	622,000	7,060
Age (1999)		
Median age	32.9	19.1
Percent under 5 years old	8.2	14.5
Percent school age population (5 to 17)	22.9	34.1
Percent adult workforce population (18 to 64)	63.5	46.1
Percent seniors (65 years & over)	5.4	5.3
Percent female	48.0	48.0
Persons per household	2.68	4.02
Ethnicity (1999)		
Percent Native American	16.8	94.7
Percent White	73.7	5.2
Percent African/American	4.4	0.1
Percent Asian/Pacific Islander	5.0	0.1
Percent Hispanic	4.7	0.1
Workforce		
Percent unemployed (1999)	6.0	14.7
Percent nonresident workforce (1998)	19.5	6.5
Income		
Personal per capita income (1998)	\$27,835	\$12,684
Wage and salary income (annual average 1999)	\$33,628	\$18,595
Educational attainment		
Percent high school graduate or higher (1990)	86.6	57.8
Percent bachelor's degree or higher (1990)	23.0	10.2

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Commerce, Bureau of the Census, and Bureau of Economic Analysis

care, and the majority of residents received these benefits. Alaska's Native population receives free health care by federal mandate. Next, the state disbursed about \$10 million in Permanent Fund earnings; these made up the bulk of the other government payments to individual residents and represented 27 percent of transfer payments. Another 20 percent, or \$7.9 million, was disbursed from state and federal sources under the various public assistance programs for individual residents. The remaining portion represented retirement and disability benefits, veteran benefits, educational programs and special grants.

The composition of the 1998 transfer payments, in particular the public assistance portion, highlights the regional economy's lack of cash. More recently, in 1999, the Alaska Department of Health and Social Services confirmed that 45 percent of the Wade Hampton area resident population received some kind of public assistance, compared to 9 percent statewide. Despite the infusion of government funds, income is not sufficient to fulfill all needs in the area. According to the U.S. Census Bureau, over 39 percent of all related children between 5 and 17 lived in poverty in the Wade Hampton area as recently as 1995, compared to just 11 percent statewide. And in 1999, annual salaries or wages remained 45 percent below the statewide average.

This statistic results from the limited job opportunities that exist in the area on a year-round basis. Many payroll jobs are part-time or seasonal. Wade Hampton's average monthly wage, which in 1999 computed to \$1,550 per month versus \$2,803 for the rest of the state, reflects this. The low monthly average wage stems from the duration of work rather than an inherent wage disparity. Yet, at first sight, monthly average employment numbers do not reveal much of a seasonal pattern, although one clearly exists. Seasonal summer jobs simply mask the void that reduced school employment leaves during the summer break. One positive indicator is that overall wage and salary employment has grown in the Wade Hampton area during the past decade.

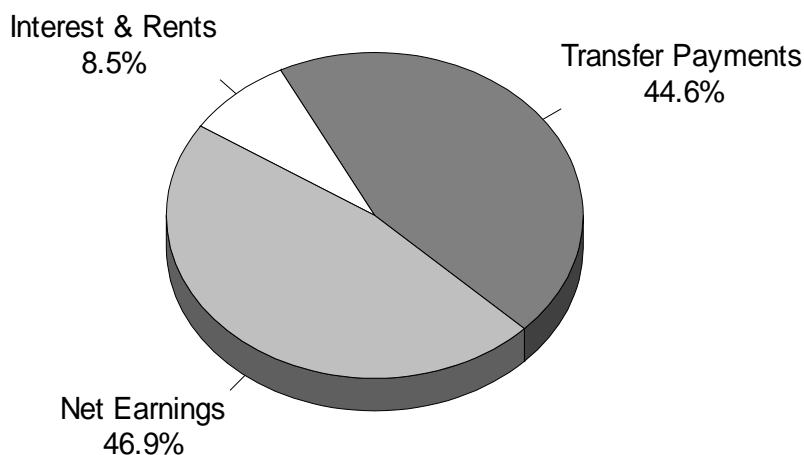
Employment has grown

Wage and salary employment grew by 575 jobs during the 1990s. Most of the new jobs were created by the service industries, followed by the public sector and transportation. This translates to employment growth of 42 percent for the Wade Hampton area, which is nearly twice the rate the resident population grew in the past decade. (See Exhibits 2 and 4.) Other changes are noteworthy as well. Private sector employment has gained considerable ground while the public sector share, albeit growing, ended with a smaller percentage. In 1990, 68 percent of all jobs were in government versus 55 percent in 1999. (See Exhibit 5.) Privatization has played a major role and it has helped to put governance of jobs and delivery of public services into local hands. The public sector, however, remains the area's largest employer.

Government employs the most

Nearly 1,100 wage and salary jobs belong to Wade Hampton's public sector. (See Exhibit 4.)

Sources of Personal Income Over \$87.1 million in 1998 Wade Hampton Census Area **3**



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Local government is its largest segment and more than 44 percent of those jobs are education related. The Lower Yukon School District has schools in 11 locations. Chevak and St. Mary's have their own districts. Schools are not only the largest single source of jobs but also the most important, simply because they exist in all inhabited communities. All three school districts are on Wade Hampton's largest employer list. Many of the other local government entities also are among the area's largest employers. (See Exhibit 6.)

Services is the largest private sector employer

As elsewhere in the state, services is the largest private sector industry employer. Employment in service organizations, including health, social, business, entertainment and other services has been among the fastest growing in the past ten years. (See Exhibit 4.) This industry's portion of total employment would be even larger if all local service delivery jobs were counted in the Wade

Hampton Census Area. The statistical undercount stems from employers such as the Yukon-Kuskokwim Health Corporation, that has a vast service area covering both the Wade Hampton and Bethel census areas and even some Interior villages. But the corporation is headquartered in Bethel, where all of its payroll employment is reported.

Retail trade takes second place as a private industry employer and is followed by transportation, which posts the fastest growth rate of all industries, due to rising air service to the individual communities. Two airline companies ranked among the area's largest employers. Because they operate seasonally, all other industries average fewer than 100 jobs on an annual basis.

Rural construction employment counts in several industries

In industry employment counts, local seasonal construction work is under-represented. Many

4 Wage and Salary Employment in Wade Hampton Census Area

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999*	Numeric Change 90-99	Percent Change 90-99
Nonag. Wage & Salary	1,368	1,404	1,366	1,513	1,538	1,517	1,759	1,875	1,941	1,943	575	42.0%
Construction	9	8	6	13	11	3	7	6	4	11	2	22.2%
Manufacturing	38	65	41	33	24	34	38	32	22	37	-1	-2.6%
Seafood Processing	38	62	38	33	24	34	38	32	22	37	-1	-2.6%
Transportation	17	19	44	51	62	81	111	127	132	144	127	747.1%
Trade	186	151	145	207	224	225	247	264	255	247	61	32.8%
Wholesale	1	1	1	1	1	1	1	1	1	1	0	0.0%
Retail	185	150	144	206	223	224	246	263	254	246	61	33.0%
Finance/Insur/Real Est.	52	49	42	49	48	54	44	48	58	89	37	71.2%
Services & Misc.	134	148	176	192	213	201	223	260	291	342	208	155.2%
Government	932	963	911	968	957	919	1,090	1,139	1,178	1,074	142	15.2%
Federal	25	29	31	32	32	35	39	40	34	29	4	16.0%
State	28	22	20	27	29	28	42	29	34	28	0	0.0%
Local	879	912	860	909	896	856	1,009	1,070	1,110	1,017	138	15.7%

* preliminary data

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

construction jobs are mixed in with the real estate industry division and the public sector. Local government often oversees and employs construction workers on infrastructure projects. Such governmental construction activity is captured as “force-account labor” but it falls under public sector employment.

Other “hidden” construction jobs originate at the local housing authorities that manage, build, and renovate public housing, mostly with Housing and Urban Development funds. Their employment all counts in the real estate industry. The Association of Village Council Presidents (AVCP), headquartered in Bethel, is the largest local housing authority. Since 1995, AVCP has built 131 new housing units, is constructing 12 additional ones this year in seven villages of the Wade Hampton area and will build 24 new units in 2001. A few villages have formed their own separate tribal housing authorities. They too receive HUD funds. These newly established authorities will build additional housing units in Emmonak, Mountain Village, and Russian Mission.

An additional reason for the undercount of the construction workforce is that private sector contractors often come from urban Alaska, where they report employment, although they may hire help locally on rural projects. Therefore, construction employment data do not reflect the increased level of construction activity in recent years.

Construction activity is up

Villages in Wade Hampton have benefited from a big push toward infrastructure improvement. Needed public sanitation installations, such as water and sewer projects, either have been improved or will be built in the near future. In 1999 about \$15 million was spent on village sanitation projects and this year another \$14 million will be used for such upgrades. Indoor plumbing is still a sought after amenity in most residences in Wade Hampton villages. New facilities will undoubtedly add to the quality of

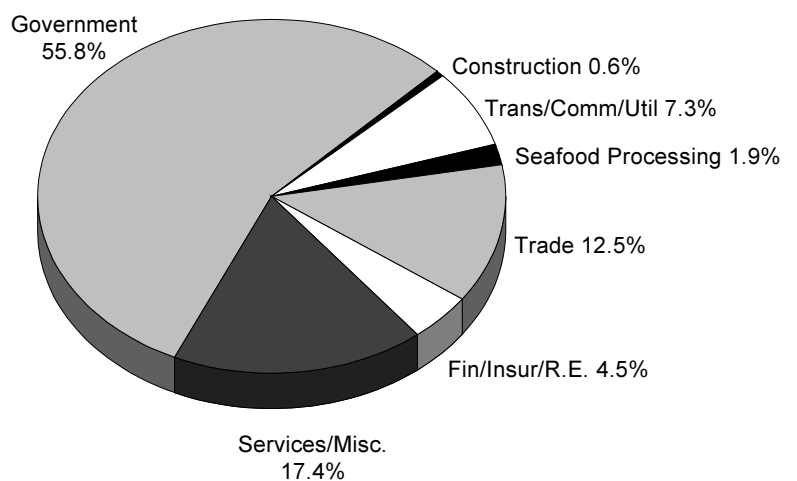
living for the residents. Airport upgrades in nine of the area’s thirteen villages are another example of recent or current public sector building activity. Bulk fuel facilities are additional current or future projects in several villages. The largest single project will be a sub-regional clinic in St. Mary’s, estimated to cost \$3.9 million.

Seafood processing employment and the commercial fisheries

Two seafood-processing facilities and a fish buying station operate in the Wade Hampton area. Both processors are in Emmonak, and the buying station is between Mountain Village and Pitka’s Point. Usually the fishing season lasts from June through August. The prime commercial species is Yukon king salmon, famed for its high oil content. Chum salmon is the other commercial salmon species.

Over the past ten years employment has waxed and waned with the harvest results. But since

Wage and Salary Jobs 5 Where they were in Wade Hampton in 1999



Source: Department of Labor and Workforce Development, Research and Analysis Section

1992, seafood processing employment has averaged fewer than 40 jobs on an annual average basis. (See Exhibit 4.) Commercial harvests suffered during the 1990s; the ten-year catch average was 60 percent below the 1980s average harvest. The 1998 commercial salmon harvest turned into a disaster when less than one million pounds of salmon were caught. Although last year's harvest rebounded some and 1.7 million pounds of salmon were landed, this year's fishing experience turned into a catastrophic low-volume harvest. At the end of the king and summer chum season local fishers had landed only about 16,000 fish weighing in at approximately 224,500 pounds. A fall chum commercial harvest did not materialize at all. The run failure does not bode well for commercial fishers in the region.

Commercial fishers on the Yukon, as elsewhere, are self-employed and their employment does not enter wage and salary employment statistics. Permit data indicate that a large number of Wade Hampton area residents fish commercially. In 1998, for example, the Alaska Department of Fish and Game, Commercial Fisheries Entry Commission reported that 643 of the existing 704 Lower Yukon salmon permits were fished. This participation, if reflected in wage and salary employment statistics, would show the importance of commercial fishing. And this number represents only permit holders, excluding family or paid helpers who may receive a percentage of the catch's value.

A small herring fishery takes place on the coast at Cape Romanzof, which lies between Hooper Bay and Scammon Bay. This year the commercial

6 The Largest Employers in Wade Hampton in 1999

Rank	Name of Organization/Business	Annual Average Employment	Business/Activity
1	Lower Yukon School District	378	Public Education
2	Hageland Aviation Services Inc.	104	Airline
3	Hooper Bay City Council	77	Public Administration
4	Kashunamiut School District	61	Public Education
5	Rural Alaska Community Action Program	51	Social Services
6	City of Emmonak	51	Public Administration
7	Kotlik City Council	45	Public Administration
8	Alaska Commercial Company	41	Grocery/General Merchandise
9	St. Mary's School District	37	Public Education
10	Chevak City Council	37	Public Administration
11	Alakanuk City Council	33	Public Administration
12	City of Pilot Station	31	Public Administration
13	City of Mountain Village	30	Public Administration
14	Azachorok Inc.	30	Grocery/General Merchandise
15	Kuigpagmiut Inc.	26	Civic/Social Services
16	Alakanuk Native Corp.	26	Grocery/General Merchandise
17	City of Russian Mission	25	Public Administration
18	Chevak Traditional Council	25	Civic/Social Services
19	U.S. Postal Service	25	Postal Service
20	Grant Aviation	24	Airline

Source: Department of Labor and Workforce Development, Research and Analysis Section

harvest was 496 short tons of herring, which were caught for their roe content. Income earned from both the salmon and herring fisheries has fluctuated widely during the 1990s, ranging between a high of \$9.2 million in 1992 and a low of \$1.8 million in 1998. (See Exhibit 7.) 1999 was a better harvest year. Local earnings amounted to nearly \$4.5 million. The year 2000 commercial harvest will amount to a mere fraction of that.

Fishing is a mainstay in the Wade Hampton economy. It is the core subsistence activity and also produces much needed cash. In recent years a high seas fishery has developed. During the early 1990s, fishery regulatory changes initiated the community development quota (CDQ) program that allows coastal communities in western Alaska to reap benefits from the Bering Sea fisheries. Ocean frontage proved to be a big advantage for the Wade Hampton area.

Since 1992, coastal communities in western Alaska formed six CDQ groups, which own exclusive harvest shares in the bountiful Bering Sea fisheries. Their programs have developed into a multi-species fishery, covering all commercial ground and flatfish species and also the crab fisheries. The CDQ fishery has become a big industry component in Bering Sea seafood catches. Some of the groups own vessels and fish their own allocation. Others lease their harvest share to other industry players for a take of the allotted catch. Two groups represent the coastal villages of Wade Hampton. Hooper Bay, Chevak, and Scammon Bay belong to the Coastal Villages Region Fund, which includes the ocean villages of the neighboring Bethel Census Area. Four delta villages, Alakanuk, Emmonak, Kotlik, and Nunam Iqua (Sheldon Point) formed the Yukon Delta Fisheries Development Association.

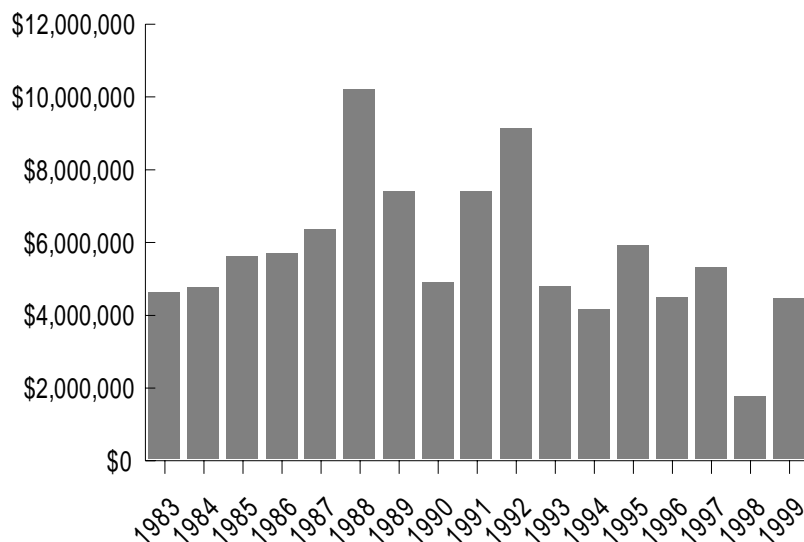
The CDQ groups have invested the earnings from the deep-sea fisheries in economic development. For example, they have established job training and placement programs for residents

from the CDQ villages, financed equipment for local fishers, invested in deep-sea fishing vessels and processing plants, set up seafood marketing offices, and made other investments in fishery-related businesses. Although the CDQ groups are fairly new business entities, their success lies not only in current business profits but also in their long-term goal to involve more local residents in the lucrative Bering Sea fisheries. Traditionally, the fisheries have always been a cultural centerpiece and measure of well being, where success is not measured in cash alone.

Subsistence fisheries are big non-cash economies

For thousands of years local residents have fished along the shores of the Yukon River and relied on its resources. The river is still of high economic importance as a food resource. Although residents now live in communities, fishing season calls for setting up summer camps to catch and prepare a

Income from Fisheries Down for Wade Hampton residents



Source: Commercial Fisheries Entry Commission

staple food supply for the long winters. The subsistence fishery stretches cash resources because fish substitutes for store-bought goods. The cost of food purchased in the local stores is among the highest in the state because of high transportation costs and tiny, widely dispersed consumer markets. This year's harvest failure has threatened the subsistence fishery, and imposes severe economic hardship on the residents of the region.

Usually, both king and chum salmon are heavily used as a subsistence resource. According to a 1999 Alaska Department of Fish and Game survey, a total of 632 households in the Wade Hampton area fished for personal use. This means that over one third of all households in the area caught fish, which is shared with those who do not, according to tradition. The 1999 subsistence harvest netted over 21,000 chinook (king), 62,000 chum (dog) and over 5,000 coho (silver) salmon, translating to about 940,000 pounds of salmon. Fish is used both for human consumption and as dog food.

Other subsistence activities are the famed coastal village sea mammal hunts and the collecting of eggs from the nests of migratory birds. Much of the Wade Hampton area is a marshland with an abundance of nesting birds. Along the coast the traditional sea mammal hunts remain big ceremonial community events, and the villagers share all hunting successes. Although the subsistence life style remains an important ingredient in the local economies and is part of the culture, a transition to a market economy has been occurring, giving wage and salary employment a pivotal role.

Employment opportunities are scarce

The remote rural setting, vast distances, and the small community economies all limit workforce and career development in the Wade Hampton area. Often residents of the area have to seek seasonal employment far away from home to earn incomes to support their families. Many of Alaska's seasonally hired firefighters, for example, come from the villages of the Wade Hampton area. Such work often is just a stop-gap for urgent cash needs and does not fully cover family expenditures for an entire year. In many cases, the lack of year-round jobs causes residents to leave their homes. Migration for the past seven years for the Wade Hampton area has been negative; more people left the area than moved into it. Various job-training programs have been launched to retain and build a local workforce. Training and education will facilitate the transition to a market economy.

Conclusion

The Wade Hampton area is a typical Alaska rural place, remote and distant, where cash economies are gaining importance. The mainstay of the economy remains fisheries, which are the main link between the traditional and cash based economy. The year 2000 has turned into a disastrous season that has eroded both commercial and subsistence fishery value. It affects nearly all residents because so many rely on salmon as a subsistence resource. The area's other and even larger economy revolves around the wide range of service delivery to its people. Improved infrastructure and easier access remain key elements in rural development. Recent and planned projects have brought amenities and an improved standard of living for residents. Development of market economies, however, will remain a big challenge.